

Message Text

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21

ACTION NEA-10

INFO OCT-01 ISO-00 IO-10 AF-06 ARA-06 EA-07 EUR-12 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 PA-01 PRS-01 /133 W

----- 102254

R 040850Z JAN 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 4391

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS UNN

USMISSION EC BRUSSELS

USINT BAGHDAD

C O N F I D E N T I A L KUWAIT 0017

E.O. 11652 GDS

TAGS: ENGR, OPEC, KU

SUBJ: OPEC OIL PRICING

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1. DURING AMBASSADOR'S FAREWELL CALL ON KUWAITI OIL MINISTER

KAZIMI, LATTER ADMITTED THAT KUWAITI OIL STILL OVER-PRICED IN
EXISTING MARKET AND THAT GOK HAVING DIFFICULTY IN MAKING SALES.
ACCORDING TO KAZIMI, ALGERIAN FORMULA FOR OIL PRICE DIFFERENTIALS
HAD GERNERED CONSIDERABLE SUPPORT AT RECENTLY ABORTED OPEC
MEETING IN VIENNA -- WITH ONLY IRAQ ARGUING AGAINST NEED FOR
SUBSTANTIAL ADJUSTMENTS. KAZIMI SAID THAT ALGERIAN FORMULA, IF
ACCEPTED BY OPEC, WOULD PERMIT KUWAIT TO REDUCE SELLING PRICE
ITS CRUDE TO \$11.15 -- WITH A FURTHER FIFTEEN CENT REDUCTION
FOR GULF AND BP UNDER RECENTLY CONCLUDED NATIONALIZATION AGREEMENT.
MINISTER WAS CONFIDENT THAT SUCH A REDUCTION WOULD MAKE
KUWAITI OIL AGAIN COMPETITIVE IN WORLD MARKETS. HOWEVER, HE
NOT SANGUINE THAT EARLY AGREEMENT WOULD BE REACHED WITHIN
OPEC ON ALGERIAN OR OTHER FURMJLA WHICH WOULD PROVIDE
NEEDED BOOST TO KUWAIT SALES EFFORTS.
STOLTZFUS

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NNN

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